

EXHIBIT 3

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

Frank Hernandez, Jr.,)	
)	
Plaintiff,)	
)	No. 04 C 7844
vs.)	Judge Pallmeyer
)	Magistrate Judge Schenkier
Midland Credit Management, Inc.; MRC)	
Receivables Corporation; and Encore Capital)	And related cases:
Group, Inc., formerly known as MCM Capital)	No. 06 C 0182
Group, Inc.)	No. 07 C 6331
)	
Defendants.)	

PRELIMINARY APPROVAL ORDER

This matter coming before the Court on Plaintiffs' Motion for Preliminary Approval of Class Settlement Agreement ("Agreement") and Notice to the Class between Frank Hernandez, Jr., Ron Balogun, and Hughie Young ("Plaintiffs"), and Midland Credit Management, Inc., MRC Receivables Corporation, and Encore Capital Group, Inc. ("Defendants"). IT IS HEREBY ORDERED:

1. The Court finds that the proposed settlement is within the range of fairness and reasonableness and grants preliminary approval to it.
2. The Court has previously certified two classes in *Hernandez* and *Balogun*, and further conditionally certifies a third class in *Young*, for settlement purposes only.

(a) The *Hernandez* Class is defined as:

All natural persons with Illinois addresses to whom any Defendants sent the form privacy notice at issue in this action on or after December 3, 2003, and on or before December 23, 2004; plus all natural persons with Wisconsin addresses to whom any Defendants sent the form privacy notice at issue in this action on or after January 11, 2004, and on or before January 31, 2005.

According to Defendants' records, there are there are approximately 52,000 members of the *Hernandez* Class.

(b) The *Balogun* Class is defined as:

All natural persons with Indiana addresses who were sent a document similar to Exhibit A to the *Balogun* Complaint on or after November 29, 2004, and on or before a December 17, 2005.

According to Defendants' records, there are approximately 13,679 members of the *Balogun* Class.

(c) The *Young* Class is defined as:

All natural persons with Illinois addresses who were sent a document similar to Exhibit A to the *Young* Complaint, on or after January 12, 2005 and on or before February 1, 2006.

According to the Defendants' records, there are approximately 38,000 members of the *Young* Class.

3. The Court appoints Edelman, Combs, Lattuner & Goodwin, LLC, as class counsel.

4. A hearing on the fairness and reasonableness of the Agreement and whether final approval shall be given to it and the requests for fees and expenses by counsel for the class will be held before this Court on _____, 2008 at _____ a.m./p.m.

5. The Court approves the two proposed forms of mailed notice to the class, to be directed to the last known address of the class members as shown on Defendants' records. Defendants will mail, or cause to be mailed, notice to class members on or before _____, 2008. Any mail returned with a forwarding address will be re-mailed. Defendants will have the notice sent by any form of bulk mail that provides address forwarding mail to each address.

6. The Court finds that mailing of the class notice and the other measures specified above to locate and notify members of the class are the only notices required and that such notice satisfies the requirements of due process and FED. R. CIV. P. 23.

7. Class members who wish to receive a portion of the settlement proceeds must complete and return the claim form which will be mailed with the forms of class notice. The claim form must be postmarked by _____, 2008.

8. Any class members who desire to exclude themselves from the action must file a request for exclusion with the Clerk of the Court and serve a copy on Class Counsel by _____, 2008.

9. Any class members who wish to object to the settlement must submit the objection to the Clerk of the Court by _____, 2008. Any objection must include the name and number of the case and a statement of the reasons why the objector believes that the Court should find that the proposed settlement is not in the best interests of the class. Objectors, who have filed written objections to the settlement, may also appear at the hearing and be heard on the fairness of the settlement.

10. Requests for exclusion and objections for both *Balogun* and *Young* will be filed under the *Young* title and case number.

11. The parties may file memoranda in support of the Agreement prior to the fairness hearing. Any submission must be filed no later than _____, 2008. Defendants shall also file proof of compliance with the notice requirements, of the Class Action Fairness Act of 2005, 28 U.S.C. §1715(b), on or before the same date.

DATE: _____

ENTERED: _____
The Honorable Rebecca Pallmeyer
United States District Judge